

**DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
MULTIPLE DELIVERY/TASK ORDER CONTRACTS
JUSTIFICATION FOR AN EXCEPTION TO FAIR OPPORTUNITY (JEFO)**

Control No. FO 2012-03, Amendment No. 001

I recommend that the U.S. DEPARTMENT OF THE TREASURY use limited awardees for the acquisition of the following supplies or services available under an indefinite-delivery contract. If this acquisition is to be made with only one awardee or a limited number of awardees, negotiations will be conducted with the indicated proposed supplier(s) in accordance with FAR 16.505 (b)(2)(ii)(B):

1. DESCRIPTION OF SUPPLIES OR SERVICES

The IRS has a continuing need for contractor support to design, develop and implement the Patient Protection and Affordable Care Act (PPACA) tax revenue provisions and tax related business processes and IT systems, including integration with existing tax administration systems. Under the *Affordable Care Act (ACA) Systems Engineering and Architecture Support* effort, required services include 1) designing and developing the program-level solution architecture for the various releases; 2) identifying and managing the milestones at the program-level for system development; 3) collecting and documenting the program-level requirements for each release and functionality of the systems identified; 4) identify the technical integration and dependency between ACA and legacy tax administration systems; and 5) use holistic systems approach that factors inter-agency considerations into solutions, including Identification of the critical technical risks (including Section 508 conformance) and unknowns.

The base JEFO (FO 2012-03 - attached) granted approval for Deloitte Consulting LLP to provide these critical services through August 31, 2013 under Contract TIRNO-11-D-00016 for an approved amount of \$4,804,000.00. The current contract maximum would allow funding for delivery of critical work products that are needed for proper deployment on system architecture. An additional \$4,366,845.00 is required to continue the work under this contract for the remaining 16-month period of performance. Two areas under the IT Program Roadmap section have been targeted for this additional funding.

The period of performance for this Amendment 001 is May 1, 2012 through August 31, 2013.

2. REQUISITION NO.

Q-2-QW-01-AC-A02-000 &
Amendment No. 001

3. COST ESTIMATE

\$4,804,000.00 (FY 12-FY 13)
\$4,366,845.00 (Amendment No.001)
\$9,170,845.00 (Total)

4. NAME(S) OF PROPOSED SOURCE(S)

Deloitte Consulting LLP
1725 Duke Street
Alexandria, VA 22314-3456

TIRNO-11-D-00016

REQUESTING OFFICE CERTIFICATION

I certify that the attached justification is accurate, and contains complete data necessary to support the recommendation for only one or limited awardees justification and approval.

5. REQUESTING OFFICE REPRESENTATIVE	(Signature)	(Phone No.)	(Date)
Nitin Naik, Director Enterprise Architecture	VFGMB Digitally signed by VFGMB DN: cn=VFGMB, email=Nitin.S.Naik@irs.gov Date: 2012.03.23 08:34:56 -04'00'	202-927-4382	


SMALL BUSINESS CERTIFICATION

I have reviewed the awardee list to locate small businesses for this procurement. If any were found, a list is attached.

6. SMALL BUSINESS SPECIALIST	(Signature)	(Phone No.)	(Date)
LaTonya Richardson	711NB Digitally signed by 711NB DN: cn=711NB, email=Mary.G. McKinzie@irs.gov Date: 2012.03.26 10:04:14 -04'00'	202-283-6886	

PROCUREMENT OFFICE CERTIFICATION

I certify that this submission is accurate, and that it contains complete information necessary to enable Approving Officials to make an informed recommendation for approval or disapproval.

7. ASSIGNED CONTRACTING OFFICER	(Signature)	(Phone No.)	(Date)
Rebecca A. Taylor TIPSS Program Branch		202-283-6969	MAR 23 2012

Before requesting this procurement, state one statutory authority for this procurement to be conducted under "exception to fair opportunity" procedures. Provide narrative justification associated with the respective stated authority in block number 13.

STATUTORY AUTHORITY EXCEPTIONS (FAR 16.505 (b)(2)(i))

(place an "X" in appropriate box and complete the rest of the form)

8.	FAR 16.505 (b) (2) (i) (A) – Need is so urgent that providing fair opportunity would result in unacceptable delays.
	This authority applies in those situations where (1) an urgent need precludes fair opportunity, and (2) delay in award of a delivery or task order would result in serious injury, financial or other, to the Government. (Explain why the agency's need for the supplies or services is so urgent that the Government would be seriously injured unless it limited the number of awardees. Solicitation from as many potential awardees as is practicable under the circumstances is required).
9.	FAR 16.505 (b) (2) (i) (B) – Only one awardee is capable of providing the supplies/services required at the level of quality required because they are unique or highly specialized.
X	Explain what makes this awardee the only responsible source i.e., Does this proposed contractor have facilities or equipment that are specialized and vital to the effort? Is the proposed contractor the only one that can meet critical schedules? Does the proposed contractor have prior experience of a highly specialized nature vital to the effort? Does the contractor have an exclusive licensing agreement? Why won't any other product or service satisfy the need? Describe the market survey and analysis effort leading to this conclusion.
10.	FAR 16.505 (b) (2) (i) (C) – The order must be issued on a sole-source basis in the

	<p>interest of economy and efficiency because it is a logical follow-on to an order already issued under the contract (provided that all awardees were given a fair opportunity to be considered for the original order).</p> <p>Explain why the work is a logical follow-on and provide information on the original fair opportunity for the first order. The rationale shall describe why the relationship between the initial order and the follow-on is logical (e.g., in terms of scope, period of performance, or value).</p>
11.	<p>FAR 16.505 (b) (2) (i) (D) – It is necessary to place an order to satisfy a minimum guarantee.</p> <p>This authority applies when it is necessary to award the delivery/task order to a particular awardee or awardees in order to satisfy the minimum contractual guarantee.</p>
12.	<p>FAR 16.505 (b) (2) (i) (E) – A statute expressly authorizes or requires that the purchase be made from a specified source (for orders exceeding the SAT).</p> <p>This authority may be used when a statute expressly authorizes or requires that the acquisition be made through another agency or from a specified source or the agency's need is for a brand name commercial item for authorized resale. (Cite the authority that expressly authorizes that the acquisition be made through another agency or from a specified source, and attach a copy of the statute). Note: While this statutory exception includes the small disadvantaged business 8(a) set-aside program, a JEFO is not required for this type of procurement unless the amount exceeds \$20 million.</p>
<p align="center">13. JUSTIFICATION (ADD PAGES IF NEEDED)</p>	
<p>A. DEMONSTRATION THAT THE PROPOSED CONTRACTOR'S UNIQUE QUALIFICATIONS OR THE NATURE OF THE ACQUISITION REQUIRES USE OF THE AUTHORITY CITED.</p> <p>This JEFO amendment requests approval to raise the maximum value of this contract to \$9,170,845.00. This is an increase of \$4.3M or approximately 47% of the previous value. The reason for this requested increase is due to unforeseen new work identified by the IRS Affordable Care Act (ACA) Program Management Office and MITS; work determined to be within the original scope of the effort. Under the <i>ACA Systems Engineering and Architecture Support</i> effort, the IT Program Roadmap section has been targeted for this additional funding. This additional work will produce a total of 39 additional deliverables and 7 additional work products.</p> <p>Deloitte's role as the overall solution integrator and prime vendor is critical to maintaining continuity of present operations in order to meet required project deployments. The <i>ACA Systems Engineering and Architecture Support</i> effort is for a 16-month stop-gap measure and approval of this amendment will allow the next stage of this vital support to continue while a competitive follow-on is being pursued with the TIPSS-4 ITS vendors. Deloitte has in depth institutional knowledge and experience related to IRS business operations and technical environment and has broad public and private health care domain expertise.</p> <p>This requested increase of \$4,366,845.00 is critically needed to continue current system architecture support and ensure IRS completion of current ACA system builds in 2012 and 2013 to meet the ACA Program milestones in 2013, 2014 and 2015.</p>	

B. DESCRIBE THE EFFORTS TAKEN TO ENSURE OFFERS WERE SOLICITED FROM ALL MULTIPLE-AWARD CONTRACTORS, INCLUDING WHETHER A FAIR NOTICE OF INTENT TO MAKE A PURCHASE (WITH CLEAR DESCRIPTION OF SUPPLIES/SERVICES AND THE BASIS UPON WHICH THE SELECTION WILL BE MADE) WAS/WILL BE PUBLISHED ON THE AGENCY'S WEB PAGE FOR ALL AWARDEES TO SEE AS REQUIRED BY FAR 16.505(b)(1)(iii)(B)(1). STATE "ALL CONTRACTORS RESPONDING TO THE NOTICE OF FAIR OPPORTUNITY CAN SUBMIT AN OFFER AND HAVE THAT OFFER FAIRLY CONSIDERED."

This JEFO will be placed on the Agency Web Page and after award published on FedBizOpps. The follow-on action will be competed among all TIPSS-4 ITS vendors and allow for full and open competition under the TIPSS program.

C. DEMONSTRATION THAT THE ANTICIPATED COST TO THE GOVERNMENT WILL BE FAIR AND REASONABLE.

The Service will be able to obtain a fair and reasonable price for this requested increase of \$4,366,845.00 based on estimates received to date and existing pricing data from the previous order.

D. DESCRIBE THE MARKET RESEARCH CONDUCTED AMONG ALL AWARDEES AND THE RESULTS OF THE RESEARCH (E.G., HISTORICAL ORDERING INFORMATION, LIST AWARDEES THAT EXPRESSED AN INTEREST IN WRITING IN THE ORDER AND THE RESULTS OF THAT INTEREST).

The customer has conducted market research under several vehicles and with multiple vendors to ensure that this is the most appropriate way to satisfy the Government's need. Based on the expert opinion of the customer and other business units it would not be feasible to bring in another vendor at this time to perform the work. Based on where Deloitte is in the process the lead time for another vendor to pick up the project would add between 4 to 8 months to the project. This would result in missing the legislatively mandated deployment times for these critical systems. Additionally, the cost associated with bringing in another contractor and the start up costs to bring new personnel up to speed would be cost prohibitive to the Government. A new vendor would have to have a much larger staff to bridge the transition and perform the functions described. This additional level of effort and cost is not currently in the budget and would prevent the IRS from completing its mission.

E. DESCRIBE ANY OTHER FACTS TO SUPPORT THE JUSTIFICATION.

This work is in support of Patient Protection and Affordable Care Act and is a legislatively mandated program that is critical to the overall mission of the federal Government.

F. LIST THE ACTIONS, IF ANY, THAT THE BUREAU WILL TAKE TO REMOVE OR OVERCOME ANY BARRIERS THAT LED TO THE EXCEPTION TO FAIR OPPORTUNITY BEFORE ANY SUBSEQUENT ACQUISITIONS FOR SIMILAR SUPPLIES OR SERVICES.

The TIPSS Office is working with the customer to identify specific deliverables that need to be performed by the incumbent and identifying the logical break point that will enable us to run a fair competition. The customer has agreed to start a competition during FY 13 which will be open to all TIPSS vendors to transition this work from a sole source environment. The customer is committed to running the competition at the earliest practical point during this work but no later than 6 months prior to the expiration of this sole source. The customer and Procurement will review this project bi-monthly to determine if based on where the work is it can be transitioned at an earlier point in the process.

G. STATEMENT THAT REQUIREMENT DOES NOT RESULT FROM A LACK OF PLANNING OR THE EXPIRATION OF FUNDS.

This requirement does not result from a lack of planning. The ACA legislation and resulting projects have strict timelines that are part of the Congressional mandate and the urgency of this requirement does not result from an expiration of funds.

ADDITIONAL APPROVALS				
OVER \$650,000	14. BUREAU COMPETITION ADVOCATE (Name & Title) Cathy Harman Associate Director, REFM Systems Management	<input checked="" type="checkbox"/> APPROVE <input type="checkbox"/> DISAPPROVE	(Signature) 3QFCB <small>Digitally signed by 3QFCB DN: cn=3QFCB, email=Cathy. Harman@irs.gov Date: 2012.03.29 08:01:54 -04'00'</small>	(Phone No.) 202-435-6379
				(Date)
OVER \$12.5 MILLION	15. BUREAU HEAD OR SENIOR EXECUTIVE SERVICE DESIGNEE (Name & Title)	<input type="checkbox"/> APPROVE <input type="checkbox"/> DISAPPROVE	(Signature)	(Phone No.)
				(Date)
OVER \$62.5 MILLION	16. SENIOR PROCUREMENT EXECUTIVE (Name & Title)	<input type="checkbox"/> APPROVE <input type="checkbox"/> DISAPPROVE	(Signature)	(Phone No.)
				(Date)
NOTE: Each review must be preceded by lower level approval(s), e.g., over \$62.5 million all approvals are required. IN NO CASE WILL AN INDIVIDUAL SIGN MORE THAN ONE APPROVAL LEVEL.				

Control #FO 2012-06